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INFO RHEHNSC/WHITE HOUSE NATIONAL SECURITY COUNCIL WASHINGTON DC
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SUBJECT: Minister of Social Solidarity Distances Himself from MEPI
Funding Complaint

CLASSIFIED BY: Magaret Scobey, Ambassador; REASON: 1.4(B), (D)

[1](#)1. (C) Key Points:

-- Minister of Social Solidarity (MSS) Ali El-Meselhi distanced himself from a MSS diplomatic note which took issue with MEPI funding of Egyptian NGOs. He explained that the note was coordinated by Minister of International Cooperation Fayza Aboulnaga.

-- El-Meselhi is supportive of U.S. funding of NGO activities and appreciates the rigorous U.S. oversight and monitoring associated with these programs. However, he continues to have funding, coordination, and monitoring concerns with other donors and beneficiaries, particularly given Egypt's cash-based economy.

[1](#)2. (C) Comment: Contrary to what his ministry's diplomatic note implied, El-Meselhi showed little interest in altering the status quo and seems unlikely to press us further on MEPI funding of non-registered NGOs. The usefulness of El-Meshelhi's support, however, is limited as MOI and EGIS remain the final arbiters in the NGO funding and registration approval process, and both appear content to let applications languish or deny them without explanation.

[1](#)3. (C) Ambassador met with Minister of Social Solidarity (MSS) Ali El-Meselhi January 28 to discuss a December 23, 2009 diplomatic note from the MSS which implied that in providing MEPI funds to non-registered NGOs the U.S. was violating GOE law. The Ambassador also raised continued delays faced by U.S.-based NGOs seeking to register in Egypt as well as several long-pending NGO requests for GOE approval of foreign-funded programs. USAID Mission Director and Econ Counselor accompanied.

[1](#)4. (C) The Ambassador began by noting that MEPI has been funding programs in Egypt for many years and nothing in current MEPI activities represents anything new. She added that, in response to GOE concerns, the U.S. had decided last year that only registered NGOs would be eligible to receive ESF funds while non-registered NGOs would continue to be eligible for MEPI and other non-ESF USG financial support.

[1](#)5. (C) El-Meselhi said the U.S. policy on ESF funding for

registered NGOs was "extremely positive." He distanced himself from the December 23, 2009 diplomatic note, saying that it had been coordinated with the Minister of International Cooperation Fayza Abounnaga. The Ambassador pointed out that we do not see any legal impediment to funding non-registered Egyptian groups and that the U.S. sees the benefit of supporting civil society in broad terms. El-Meselhi asserted that it was not a question of whether recipient organizations were legal or not, but whether they made the appropriate notifications to the GOE. He explained that most NGOs remain unregistered, and the GOE is concerned about sufficient coordination and monitoring of their activities, particularly since 90 percent of all monetary transactions in Egypt are on a cash basis.

¶16. (C) The Ambassador assured El-Meselhi that USAID and MEPI exercise strict oversight of funded programs. El-Meselhi acknowledged this noting that "we don't question U.S. funding," but rather other foreign and domestic funding. He continued, "Frankly, I definitely know you are doing something right."

¶17. (C) The Ambassador and USAID Mission Director raised with El-Meselhi long-pending NGO requests for MSS approval of foreign-funded programs, and provided a list of several such requests submitted more than six months ago. They also asked that El-Meselhi support the registration applications of several U.S.-based NGO, most of which have been active in Egypt for several years or more. The Ambassador stressed the importance of

permitting the registering of U.S.-based NGOs, particularly in light of the USG's response to GOE concerns over ESF funding of non-registered NGOs. El-Meselhi promised to review the list of proposed programs awaiting approval and said he would provide a reply within a week. He noted that while he remains supportive of U.S.-funded programs, the Minister of Interior and Egyptian Intelligence Services have the final say on NGO programs and NGO registration requests.
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